During the same period the energy shortage and peak deficit in the Shouthern region was 7.2% and 12.7%

(c) Andhra Pradesh has achieved 100% village electrification.

(d) The following measures are being taken to improve the power availability in Andhra Pradesh:

(i) Promotion of inter-regional transfer of power.

(ii) Renovation and Modernisation of existing generating stations.

(iii) Demand management and energy conservation measures.

(iv) Augmentation of transmission and distribution system.

(v) Reduction in Transmission and distribution losses.

(vi) Expediting implementation of capacity addition programme and power sector reforms

**International Capital in Power Sector**

3479. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state:

(a) whether U.S. has made it clear to Indian Govenment in a joint policy round table recently that if international capital was required in power sector, India will have to create a framwork to ensure safety, security and good returns;

(b) if so, the details thereof; and

(c) what was India's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) The need to create a framework to ensure safety, security and good returns was reportedly emphasized in a joint Policy Round table on Power organised by the Federation of Indian Chamber of Commerce and Industry. These views were expressed by the Senior Vice President of U.S. Company.

The Government is aware that unless good returns are available, private capital will not flow into the power sector. In order to improve the returns from the power sector, the financial health of the power utilities/Stat e Electricity Boards (SEBs) have to be improved. The government has, therefore, embarked upon the process of reforms in the power sector. The Central Electricity Regulatory Commission was set up in July, 1998 and fourteen State Electricity

Regulatory Commissions (SERCs) have also been set up. One of the primary functions of these commissions is to rationalise tariff so that the power utilities earn an adequate profit. The government plays a catalytic role by encouraging the states to undergo reforms. A new plan scheme has been launched from 2000-2001 wherein financial assistance will be extended to those states which make a commitment to reforms. One of the latest initiatives of the government is to undertake complete metering of all consumers in a time bound manner by December, 2001 which would help in augmenting the revenues of the SEBs. Further, the Government, in its effort to promote reforms in the north eastern states, proposes to give financial assistance for setting up of a joint SERC for the region.

The above measures are expected to improve the financial viability of the power utilities/SEBs, which in turn, would enthuse the private sector to invest in the power sector.

**Exemption of Power Equipments from Custom Duty**

3480. DR. Y. LAKSHMI PRASAD: Will the Minister of POWER be pleased to state:

(a) whether the State Government of Andhra Pradesh has requested for total exemption from custom duty for power equipment of all categories of power projects; and

(b) if so, the steps taken on their request?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) No, Sir.

(b) Question does not arise.

**National Fuel Policy**

3481. SHRI R.S. GAVAI: Will the Minister of POWER be pleased to state:

(a) whether Government have proposed to set up a Committee for formulating a National Fuel Policy for the power sector;

(b) if so, the details theeof alongwith the reasons therefor; and

(c) the steps proposed by Goverment for ensuring adequate and timely fuel supply of appropriate quality to the power plants?